

# INNOVATE TO ACCUMULATE

**B**ettys & Taylors of Harrogate creates new specialities all year round. The North Yorkshire business works ahead on seasonal variations to its hand-crafted ranges of breads, cakes, chocolates, biscuits and fancies and continually looks afresh at its existing products with a view to developing them further.

Lesley Norris, product development manager, says: "Our master craftspeople travel to Switzerland – the birthplace of Bettys' founder Frederick Belmont – to gather fresh inspiration and specialist training, and our research and development team carry out new product research in major European cities such as Milan and Vienna."

She says a benefit of family ownership and the business' relatively small size means it has the freedom to be different. "We feel it is not just our experts who have all the best ideas, so we encourage staff from different parts of the Bettys business to get together and share their own thoughts on what we might create next. This might be as simple as bringing along a treasured favourite family recipe."

The company can flex its development programme to match the continual feedback customers give on what they enjoy most though the Bettys shops within its six café tea rooms. A taste panel – avid supporters who volunteer to meet regularly – guide the company in the right direction.

Customers are encouraged to try new products through sampling in the shops. Staff have detailed information about new specialities and know how they are made at the craft bakery. A quarterly customer newsletter also highlights what is new.

Norris says feedback is extremely important. "Our customers are very loyal and become fond of their favourites, such as our best-selling Yorkshire Cobble – a moist, close-textured loaf with a rich dark crust made with rye flour, baked in a wooden tray and inspired by the cobbled streets of York. Following some recent research, we learned how important it is to Bettys' customers that our bread is made



**New product development (NPD) is what keeps businesses fresh, stimulating interest and attracting new audiences, says Andrew Don**

**NPD at Edme, which advises keeping an eye on profitability**

with local ingredients. Now, 50% of the flour we use is supplied by local farmers."

Bettys is an example of how NPD and innovation are alive and kicking in the craft sector, but James Smith, sales manager at ingredients supplier Edme, says there is still room for improvement in the industry. He says suppliers are driving much of the

product development, supporting the bakers with point-of-sale material.

Bakers need to spend money to make money – something Smith appreciates is difficult in the current economic climate. "It's easy to just sit there and keep your head just above water, but with good enough background research, you can limit the cost and risk involved."

The person leading NPD has to have a good feel for costs, whatever the size of business, he says. "It's no use launching a product that has all the bells and whistles, but won't be profitable. Once you have your recipe the way you want it, take a serious look at the profitability. There is no point buying a load of ingredients to make the most obscure bread in the world if it doesn't make you any money."

Smith says the key is to:

- understand who the customer is;





- ask customers what they want;
- assess how far people will travel to the shop;
- look at how much customers are willing to spend;
- evaluate the competition;
- consider the opportunities;
- play to your strengths.

Smith says the process should not cost a lot. "It's getting out there, on the phone, formulating what products they are looking to go with, and then looking at a programme that goes through a 12-month cycle, probably hitting on seasonal peaks." When it comes to testing the products, he suggests this should not just be done among existing customers, because they might say they like them just to please you.

SPA Future Thinking, which works with giants such as Hovis, says the principles of what it does with big companies can be applied to smaller businesses. Andrew Tharme, MD of SPA Future Thinking, Oxford, says: "For a small craft baker you need to target the local community... they won't be spending millions, but something along the lines of making sure there is a process and rationale behind why they are testing the products and how they answer questions is valid, but on a much smaller scale."

Smaller operations might make new products based on gut feel if they know their customers well – by name in some cases – and they understand their demographics.

Tharme says "It's about understanding your customers and knowing what their tastes are and their needs – that's the best research you will do... you should innovate as much as you need to."

He warns a lot of creative people believe their ideas are good, but passion will only get them so far. "The pure way of avoiding any blind faith or ill-conceived subjectivity is to let the customers tell you



what the good ideas are. That's a purely objective approach, which is not pre-judging what consumers want; not assuming you know what's best for them."

He says to ask customers what they are looking for, how have things changed for them in this tighter economy, what they are interested in and allow them tell you in focus groups. Then introduce some of the more passionate ideas and see how they respond. "It will give you a great initial steer to see what the demand is, and what will drive sales and profitability, provided cost controls are right."

Nash's Bakery, of Bicester, Oxfordshire, which has six bakery shops; two tearooms and a wholesale delivery service, says NPD is not the be-all and end-all. Mark Nash, co-owner, says: "If we hear of something someone else is

**With new products it's important to ask customers what they want, not assume you know what is best**

doing or hear something is popular, we introduce it. Every now and again we invent stuff in the bakery and try it on customers. Some of our wholesale customers come to us at times and ask if we could do something new for them and we have done."

Richard Soper, managing director of Sweet Moments, in Northallerton, north Yorkshire, had just held his business' first NPD meeting when *British Baker* called. "This morning, we've probably identified that we would like to find more innovative ways of packing our products and variations on what we do," he says.

The company has a small van-sales operation and tends to trial new products in cafés it supplies and garden centres. "We get as much feedback as we can from customers," adds Soper.

Barkes Craft Bakery, in Wickford town centre, Essex, introduces several new breads weekly. Some of the latest have been chilli and cheese & leek bread. It sold 100 of its beetroot loaves for 99p each in one day on top of what customers usually bought. Kevin Barke, co-owner, says: "We did beer bread when the World Cup was on and we've done California walnut and raisin bread and Russian black bread. We cut a loaf up, butter it and put it on counter and encourage people to try it. There's no point saying trade's rubbish. You've got to innovate."

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Products being placed into the oven at Edme's test kitchen